

## R E M A R K S

Prior to entry of this Amendment:

- Claims 49-74 were pending in the present application
- Claims 49-74 stand rejected
- Claims 49-60, 62-72 and 74 are objected to

Upon entry of this Amendment, which is respectfully requested for the reasons set forth below:

- Claims 49-74 will be pending
- Claims 49, 61 and 62 will be amended
- Claims 49, 61-63, 73 and 74 will be the only independent claims

### **A. Claim Objections**

Although the Office Action Summary (item 7, page 1) appears to indicate that Claims 49-60, 62-72 and 74 are objected to, there is no such discussion in the Office Action.

We respectfully request clarification as to whether Claims 49-60, 62-72 and 74 are objected to, and if so, on what grounds.

### **B. Claim Amendments**

#### **B.1. Claims 49, 61 and 62 have been amended to correct minor typographical errors**

No new matter has been added, and no amendment was made for reasons relating to patentability. In Claims 49, 61 and 62 “an parameter” has been replaced correctly with a parameter.

### **C. Section 101 Rejection of Claims 49-60, 62-72 and 74**

Claims 49-60, 62-72 and 74 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. [Office Action, page 2].

#### **C.1. The Basis for Rejection**

As best as Appellant understands the rejection of the claims for being directed to non-statutory subject matter, the basis for that rejection is “set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.”

[Office Action, page 2].

It appears that at least two requirements were imposed upon the claims. To the extent the rejection under Section 101 applies a standard that requires additional criteria or otherwise departs from the requisite legal analysis under Section 101, the rejection is flawed.

As we best understand the rejection, the Examiner asserts that the claims fail to meet requirement (1).

**C.2. The Claims of Group I are Directed to Statutory Subject Matter**

The proper legal standard for statutory subject matter was not applied to the rejected claims. In fact, applying the proper legal standard demonstrates that all claims are directed to statutory subject matter.

The proper legal test for the presence of statutory subject matter is only that a claimed process or apparatus produce a “useful, concrete and tangible result”. See, e.g., State Street Bank & Trust Co. v. Signature Fin. Group, Inc., 149 F.3d 1368, 1375, 47 USPQ2d 1596, 1602 (Fed. Cir. 1998), cert. denied, 525 U.S. 1093, 142 L. Ed. 2d 704, 119 S. Ct. 851 (1999) (“For purpose of our analysis, as noted above, claim 1 is directed to a machine programmed with the Hub and Spoke software and admittedly produces a ‘useful, concrete, and tangible result.’ ... This renders it statutory subject matter, even if the useful result is expressed in numbers, such as price, profit, percentage, cost, or loss.”); AT & T Corp., 172 F.3d 1352, 1361 (Fed. Cir. 1999) (“[T]he focus is understood to be not on whether there is a mathematical algorithm at work, but on whether the algorithm-containing invention, as a whole, produces a tangible, useful, result.”).

**C.3. The Claims Meet the Standard for Statutory Subject Matter**

The Examiner recognizes that each of Claims 49-60, 62-72 and 74 produces a useful, concrete and tangible result. [Office Action, page 3]. Accordingly, those claims are directed to statutory subject matter.

Independent Claim 49 includes the limitation of *providing an offer to a customer associated with the credit account, wherein the offer comprises an offer to provide the payment to the customer if the customer agrees to the modification of the parameter*. As explained in the Present Application, *providing such an offer to a customer* results in a useful, concrete and tangible result. In certain disclosed embodiments, the offer to provide payment to the customer may entice the customer to maintain the credit account. The customer might otherwise be tempted to leave for other credit card programs. [See, e.g., page 23, lines 15-19]. Thus, acceptance of the offer may result in a payment to the customer.

This *providing an offer* is not an abstract, disembodied concept, but instead has a specific meaning and corresponds to a useful, concrete or tangible result - something which a customer is provided with, e.g., that the customer may accept or decline. The processes claimed can by no stretch of the imagination be classified as “abstract ideas” and are thus properly defined statutory processes.

In this respect, the *providing an offer* renders the claim statutory for much the same reason the “final share price” rendered the claims in State Street Bank statutory:

Today, we hold that the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price, constitutes a practical application of a mathematical algorithm, formula, or calculation, because it produces 'a useful, concrete and tangible result'--a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.

State Street Bank & Trust Co. v. Signature Fin. Group, Inc., 149 F.3d at 1373.

Using similar reasoning, the *providing of an offer* of the pending claims is likewise accepted and relied upon by customers and / or banks - it is something which a customer may accept or decline, and which a bank may be obligated to honor, e.g., if the customer accepts the offer.

It is also worth noting that the requirement for a “useful invention” is to be evaluated for the **invention**, and is not dependent on the breadth of the claims. Thus, if one species of an invention claimed as a genus is found to be “useful”, utility for the genus is established. Raytheon Co. v. Roper Corp., 724 F.2d 951, 958, 220 USPQ 592, 598 (Fed. Cir. 1983), cert. denied, 469 U.S. 835 (1984) (“When a properly claimed invention meets at least one stated objective, utility under § 101 is clearly shown.”). Utility is to be evaluated in a simple “yes” or “no” fashion (i.e., does the invention as claimed possess or not possess utility). There is no subjective test for “utility” that must be deemed to be commensurate with the breadth of the claims being sought to be patented.

Moreover, the scope of the claims as presented encompass a variety of specific implementations of the claimed processes. Certain of these embodiments implicate the use of hardware, terminals, and / or central controllers comprising CPUs. These “hardware-” or “processor-based” species clearly fall within the broader generic definition of the claimed processes. Given that utility for a genus may be established through a recitation of utility of a species within that genus, a rejection that the generically claimed processes lack utility is clearly improper.

#### **C.4. Request for Clarification**

If this rejection is maintained, we respectfully request an appropriate and explicit basis for the test used in rejecting the claims. Specifically, we respectfully request clarification as to which of the following is the basis for the Examiner's two-prong test:

- (1) this test is believed to be in accordance with some section of the MPEP, or instead
- (2) this test is a formal policy of the U.S. Patent and Trademark Office.

If the basis is (1), the rejection should be withdrawn because no section of the MPEP sets forth such a test for statutory subject matter. There is no prohibition in the MPEP for example, against steps that may be, in some embodiments, performed in the mind of the user or by use of a pencil and paper. There is no stated requirement that every method claim must recite that a “computer” performs the recited steps. Further, we are unaware of any statute or court decision supporting this test.

Moreover, the Federal Circuit has made it clear that the only issue is whether the claimed invention produces a useful, concrete, tangible result.

We note that this standard (not performable by in the mind of a user or by use of a pencil and paper) is contrary to law. See, e.g., Alco Standard Corp. v. Tennessee Valley Authority, 808 F.2d 1490, 1496, 1 USPQ2d 1337, 1341 (Fed. Cir. 1986) ("The inclusion in a patent of a claim to a process that may be performed by a person, but that is also capable of being performed by a machine, is not fatal to patentability. The presence of the steps of correlating and combining, which a machine is capable of doing, does not invalidate a patent."); See, also, Musco Corp. v. Qualite, Inc., Civ. Application, 106 F.3d 427, 1997 WL 16031 (Fed. Cir. 1997), (per curiam)(unpublished), cert. denied, 118 S. Ct. 60 (1997) ("The existence of mental steps in the claims or specification of a patent do not, in and of themselves, invalidate the patent.")

If the basis is (2), please clarify whether this two-prong test relies on a new statutory interpretation of 35 U.S.C. § 101 that has been adopted by the U.S. Patent and Trademark Office. If so, please provide any available materials (e.g., distributions of form paragraphs, training materials, policy memos, legal analysis) that address such a policy so that we may better understand the policy's legal basis.

**C.5. Claims 52 and 53**

Although we dispute the additional requirement of the "two-prong test," we note that Claims 52 and 53 each recite *a parameter database* and *a record of a parameter database*. It is not clear, based on the example claim that includes a "database" (page 3), whether the Examiner believes that Claims 52 and 53 are non-statutory. We respectfully request that the Examiner clarify whether Claims 52 and 53 are deemed non-statutory under the "two-prong test."

**D. Section 102(e) Rejection****D.1. Claims 49-62**

Claims 49-62 stand rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,014,645 issued to Cunningham ("Cunningham").

We respectfully traverse the Examiner's Section 102(e) rejection. The Examiner has not established a *prima facie* case of anticipation of Claims 49-62.

**1.1. The Cunningham patent**

The system disclosed in the Cunningham patent is a financial card application system that matches financial institutions and their card offerings with potential new customers. Offers may be located based on a financial risk rating of a potential customer. A user (applicant) may peruse the offers and accept an offer that meets his or her requirements. Application data is forwarded to the financial institution. [See, e.g., Summary of Invention; Column 4, lines 2-16; Column 6, lines 1-37].

**1.2. Independent Claims 49, 61 and 62**

We respectfully submit that Claims 49, 61 and 62 are not anticipated by Cunningham. Cunningham does not teach or suggest all of the features of any independent Claims 49, 61 and 62.

As we best understand the Office Action, the Examiner asserts the following to be true with respect to independent Claims 49, 61 and 62:

Cunningham discloses:

- *calculating a payment, wherein the payment is based on a modification of the parameter from the first value to the second value*
- *providing an offer to a customer associated with the credit account, wherein the offer comprises an offer to provide the payment to the customer if the customer agrees to the modification of the parameter*

We respectfully traverse these assertions. We have carefully reviewed the Cunningham reference cited by the Examiner, without finding a teaching or suggestion of *calculating a payment, wherein the payment is based on a modification of a parameter from the first value to the second value*, much less *providing an offer to provide the payment to the customer if the customer agrees to the modification of the parameter*.

Some embodiments of the present invention are directed to methods and apparatus for modifying one or more terms of a customer's existing credit account. [See, e.g., Specification, page 1, lines 2-4, page 8, lines 17-19; FIG. 1].

Modifying the account may include changing a value of a parameter of the account (e.g., an interest rate, a minimum payment). In some embodiments, a price of modifying an account is

calculated. The price may be calculated based on the modification. [See, e.g., Specification, page 16, line 19 to page 19, line 27].

In some embodiments, the calculated price may include **a payment or credit to the customer** for accepting new terms (e.g., terms more favorable to the credit issuer). [See, e.g., Specification, page 20, lines 19-26]. In other words, in at least one embodiment an entity (e.g., a bank central controller) may offer to pay an existing customer to modify a parameter of the customer's account.

Claims **49, 61 and 62** each include a feature generally directed to *providing an offer to a customer associated with a credit account*. The offer includes *an offer to provide a payment to the customer if the customer agrees to a modification of a parameter of the credit account, and the payment is calculated based on the modification from a first value to a second value.*

In contrast, Cunningham is directed to attaining new customers. It is devoid of any hint of altering any term of an existing account, much less offering a payment in exchange for such modification. There is nothing in Cunningham that would suggest the features outlined above, or suggest any need for providing for such features.

The Examiner has not established a *prima facie* case of anticipation of independent Claim **49** (or Claims **50-59** dependent therefrom) or independent Claims **61 and 62**.

#### **D.2. Claims 63-74**

Claims **63-74** stand rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,131,810 issued to Weiss ("Weiss").

We respectfully traverse the Examiner's Section 102(e) rejection. The Examiner has not established a *prima facie* case of anticipation of Claims **63-74**.

#### **D.3. The Weiss patent**

The system described in the Weiss patent provides generally for a financial transaction system and a single account "that allows customers top access a full range of global financial services using a variety of access points." [Column 1, lines 28-33]. The system provides for "opening a single account that includes a full range of financial components." A process for account or relationship opening includes stages such as account selection and building the customer account. [Column 8, lines 55-65].

#### **D.4. Independent Claims 63, 73 and 74**

We respectfully submit that Claims **63, 73 and 74** are not anticipated by Weiss. Weiss does not teach or suggest all of the features of any independent Claims **63, 73 and 74**.

As we best understand the Office Action, the Examiner asserts the following to be true with respect to independent Claims **63, 73 and 74**:

Weiss discloses:

- *determining that a customer associated with a credit account is dissatisfied with the credit account*
- *presenting the customer with an offer to modify the at least one term of the credit account*

We respectfully traverse these assertions. We have carefully reviewed the Weiss reference cited by the Examiner, without finding a teaching or suggestion of either of the above-specified features.

As discussed above, some embodiments of the present invention allow for providing an offer to a customer to modify at least one term of an account associated with that customer. In some embodiments, providing such an offer may enable an entity (e.g., a bank) to maintain customers who might otherwise be tempted to leave for other credit card programs. [See, e.g., Specification, page 23, lines 14-19].

Claims 63, 73 and 74 each include a feature generally directed to *determining that a customer associated with a credit account is dissatisfied with the credit account*. Customer dissatisfaction with an existing account is not mentioned at all in Weiss. Weiss discusses a process by which a new customer is introduced to various types of integrated accounts offered by a bank. [Column 12, lines 58-62]. FIGS. 5A-5M and accompanying text, which are cited and relied upon by the Examiner, describe how a new customer may select and build an account—the new customer is not associated with any account. We have reviewed Weiss, including the cited portions, and are unable to identify any hint of dissatisfaction of a customer associated with an account.

Claims 63, 73 and 74 each also include a feature generally directed to *presenting the customer with an offer to modify the at least one term of the credit account*. As there is no hint in Weiss of determining that an existing customer is dissatisfied, there is certainly no hint of presenting such a customer with an offer to modify at least one term of the account. Also, Weiss is devoid of any suggestion that it would be desirable to offer to modify a term of an account if it were determined a customer is dissatisfied.

Accordingly, the Examiner has not established a *prima facie* case of anticipation of independent Claim 63 (or Claims 64-72 dependent therefrom) or independent Claims 73 and 74.

For at least the reasons stated herein, we respectfully request allowance of the pending Claims 49-74.

**E. Conclusion**

It is submitted that all of the claims are in condition for allowance. The Examiner's early re-examination and reconsideration are respectfully requested.

Please charge any fees that may be required for this Amendment to Deposit Account No. 50-0271. Furthermore, should an extension of time be required, please grant any extension of time which may be required to make this Amendment timely, and please charge any fee for such an extension to Deposit Account No. 50-0271.

If the Examiner has any questions regarding this amendment or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at [mtdowns@walkerdigital.com](mailto:mtdowns@walkerdigital.com).

**F. Petition for Extension of Time to Respond**

We hereby petition for a one-month extension of time with which to respond to the Office Action. Please charge \$55.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an additional extension of time is required, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,

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Date

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